

## ORDINANCE NO. 47-022

AN ORDINANCE EXEMPTING PROPERTY FROM AD VALOREM TAXATION FOR ECONOMIC DEVELOPMENT PURPOSES PURSUANT TO ARTICLE 11, SECTION 13, OF THE KANSAS CONSTITUTION; PROVIDING THE TERMS AND CONDITIONS FOR AD VALOREM TAX EXEMPTION; AND DESCRIBING THE PROPERTY OF MILLENNIUM CONCEPTS, LLC SO EXEMPTED.

WHEREAS, Article 11, Section 13, of the Kansas Constitution provides that the governing body of the City may, by Ordinance, exempt from all ad valorem taxation all or any portion of the appraised value of certain property meeting the requirements of the constitutional provision; and

WHEREAS, the City of Wichita has adopted an Economic Development Incentive Policy by which the City will consider granting tax exemptions upon a clear and factual showing of direct economic benefit including the creation of additional jobs or the upgrading of existing jobs and the stimulation of additional private investment; and

WHEREAS, Millennium Concepts, LLC, requests an ad valorem tax exemption on a proposed expansion project of 67% for five years on the construction of a 8,500 s.f. building addition and certain new manufacturing equipment and 67% for a second 5 years on the building improvements and manufacturing equipment; and

WHEREAS, Millennium Concepts, LLC, has operated within the City for more than four years as a manufacturer of aircraft seats; and

WHEREAS, Millennium Concepts, LLC, proposes a \$305,686 expansion by the construction of a 8,500 s.f. building addition plus the purchase of \$70,018 in machinery and equipment to be located at 9050 W. Monroe Circle in southwest Wichita; and

WHEREAS, the City Council of the City of Wichita has reviewed the application and supporting documentation supplied by Millennium Concepts, LLC, has reviewed the impact statements provided by Staff, and the Cost-Benefit Analysis by the Wichita State University and has conducted a public hearing on such application on May 2, 2006; and

WHEREAS, the City Council of the City of Wichita has found and determined:

1. Millennium Concepts, LLC is an existing business located in Wichita, Kansas, and intends to expand its business by the construction of a 8,500 s.f. building addition and the purchase of certain personal property.

2. The construction of the new building, and the purchase of personal property for which exemption is given occurred after September 9, 2004. No exemption will be given for construction or purchases, which occurred before that date.
3. Such property purchases are to be used exclusively for manufacturing articles of commerce.
4. By such purchases, Millennium Concepts, LLC will create new employment for 30 employees within one year after the start of the project.
5. Tax exemption will be given only for the construction of an 8,500 s.f. building addition and the purchase of certain personal property as reflected in Exhibit I attached hereto.
6. The property on which exemption is given will meet the requirements of the Kansas Constitution and the City of Wichita's Economic Development Incentive Policy.
7. Such ad valorem tax exemption is in the public interest providing for economic growth and benefit including the creation of jobs and stimulating additional private investment.

NOW THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF WICHITA, KANSAS,

1. The City Council of the City of Wichita, Kansas hereby makes a factual determination that an ad valorem tax exemption of the type requested by Millennium Concepts, LLC is required to retain jobs in the State of Kansas, and that the property to be exempted is to be used exclusively for manufacturing articles of commerce.
2. Millennium Concepts is hereby granted an ad valorem tax exemption of 67% on the building addition and the personal property as shown on Exhibit I, for a five-year term, and, subject to approval by the governing body then in office, for a second 5 years, all on an expansion project started after September 9, 2004, and located within the Wichita City limits at 9050 W. Monroe in southwest Wichita, at an estimated cost of \$375,704, as further defined in Exhibit I attached hereto. Such exemption is to begin in the calendar year after the calendar year in which the expansion is completed, and may be terminated early (and Millennium Concepts, LLC may be required to repay amounts previously abated), in the event of any failure by Millennium Concepts, LLC, to perform its obligations under the Economic Development Incentive Agreement it has executed with the City.
3. The Economic Development Incentive Agreement between the City of Wichita and Millennium Concepts, LLC is hereby approved.
4. The City Manager's Office shall be responsible for monitoring the performance of Millennium Concepts, LLC and shall provide annual reports on such performance.
5. Such exemption is subject to verification that the level of employment at the time of the completion of the project is at least equal to the level of employment as stated in Millennium Concepts, LLC's written request for ad valorem tax exemptions as presented to the City Council

and to administrative staff, and as stated in Millennium Concepts LLC's annually approved EEO/AA Plan.

6. Such exemption may hereafter be withdrawn by the City Council upon a finding that Millennium Concepts, LLC no longer is entitled to such exemption in accordance with the Economic Development Incentive Policy of the City of Wichita and the terms of the Economic Development Incentive Agreement, which Millennium Concepts, LLC has executed with the City.

7. The City Council may, at its discretion, require Millennium Concepts, LLC to return all funds exempted if there is a failure to meet the terms and conditions of the Economic Development Incentive Agreement, which Millennium Concepts, LLC has executed with the City.

8. Upon finding that Millennium Concepts, LLC has failed to meet its obligations under the Economic Development Incentive Agreement, the City Council shall require the repayment of all prior amounts of taxes that have been exempted and shall withhold any future exemption of taxes on Millennium Concepts, LLC's expansion project. All repayments shall be redistributed to the local taxing authorities at the proper taxing rates.

9. This Ordinance shall be in full force and effect from and after its passage and publication in the official City paper.

Passed by the governing body of the City of Wichita, Kansas this 9<sup>th</sup> day of May, 2006..

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Carlos Mayans, Mayor

ATTEST:

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Karen Sublett, City Clerk

Approved as to Form:

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Gary E. Rebenstorf, City Attorney

**Millennium Concepts, LLC**

**Exhibit I**

Building Construction:

8,500 s.f. facility	<u>\$305,686</u>
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<b>Total New Construction</b>	<b>\$305,686</b>
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Equipment Purchases:

(see attached list)	<u>70,018</u>
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<b>Total Equipment</b>	<b>\$70,018</b>
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<b>Total Expansion Project</b>	<b>\$375,704</b>
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